

Desert Hawk Gold Corp.

m104510078
cc: Leslie

RECEIVED

JUN 09 2012

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Reno Nevada 89502
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DIV. OF OIL, GAS & MINING

Date: June 15, 2012
To: DOGM—Mr. John Baza
From: Rick Havenstrite
Subject: Desert Hawk Gold Corp—Gold Hill project

Dear Sir:

My lender, Platinum Partners, a NY based Hedge Fund, put DHGC on notice yesterday that they intend to withdraw from the project on June 30, 2012 if DOGM has not issued an approval to proceed. Their damages will be \$5.8 MM.

On June 7, 2012 Shoshone Silver/Gold Mining Company allowed an option to fund this project to expire, also citing the same reason—failure to make any headway on the DOGM permits.

We have received one review since February 2011—17 months ago. That is in spite of the directive by Dana Dean 12 months ago that you would follow your own policy of 30 days turnaround per review.

We now sit back anxiously awaiting an often promised fourth review which should not even be taking place. As none of the reviews relate much to each other, certainly a 5th, 6th, and 7th could follow.

In spite of the fact we have completely documented the lack of technical issues with the project, DOGM has, in unprecedented fashion, forced us into costly, time consuming, and unnecessary test work—much of it totally duplicated---and even then to no avail.

For many items which DOGM could approve by Rule, and would have for any other operator, we have been forced to grovel and even then have been denied. Not a single technical issue we originally represented, (and have been under constant assault for), have been proven false.

I have advised my Directors there is nothing unintentional about our treatment and nothing unintentional about one review in 17 months.

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DHGC, the lender, and Clifton Mining continue to be severely damaged by your inaction. This whole process appears to be just a dangerous and costly ruse. If new mining is not welcome, that should be advertised. I cannot reconcile this with the billboards the State has put up to the contrary.

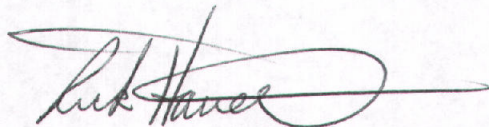
It is obvious DOGM will not allow this project to be permitted. There are about 15 days left to prove this wrong.

Despite what may have been passed on, the BLM EA remains on hold as nobody is comfortable with what might appear in the fourth review.

All of the other State Permits were approved 18-24 months ago. Most had expiration dates which have lapsed long ago. The DEQ permits have been placed on indefinite hold, after one year, by Rob Herbert—this also long ago.

All this concerns 105 acres in the West Desert with no public opposition to the project. The only negative comments on the permit website continue to be from DOGM.

I am always available to talk things over – which is not currently part of the overall DOGM program—that we have experienced.

A handwritten signature in black ink, appearing to read "Rick Havenstrite", with a long horizontal flourish extending to the right.

Rick Havenstrite, P.E.
President
Desert Hawk Gold Corp.
775-848-5193

MR JOHN -

I KNOW FROM PREVIOUS CONVERSATIONS
THIS IS NOT A SURPRISE - TO ANYONE -

WE BOTH KNOW THE PROBLEM -

THIS IS THE DAMAGE IT IS CAUSING -

SORRY

RICK HAVENSTRITE